

REMARKS

Applicant appreciates the time taken by the Examiner to review Applicant's present application. This application has been carefully reviewed in light of the Official Action mailed January 3, 2008. This Reply encompasses a bona fide attempt to fully respond to the Examiner's rejections, including amendments as well as reasons why Applicant believes that embodiments of the invention as claimed are statutory and patentable over the applied prior art. Applicant respectfully requests reconsideration and favorable action in this case.

Interview Summary

Pursuant to Applicant Initiated Interview Request submitted February 5, 2008, a telephonic interview was conducted on February 14, 2008 between Examiner Michael Zecher, Attorney Katharina Schuster, and Agent Kevin Gust. During the interview, Applicant's representatives differentiated aspects of Applicant's invention from the cited references. Possible claim amendments were also discussed. Applicant appreciates the clarifications and suggestions provided by Examiner Zecher, and the time taken by Examiner Zecher to review Applicant's present application and discuss the pending claims and the cited prior art.

Claim Status

Claims 1-21 were pending and rejected. As a good faith attempt to forward the prosecution, claims 1-2, 6-7, 10-11, 15-16, and 19-21 are amended herein without prejudice. Support for the proposed amendments presented herein can be found in the Specification as originally filed. See e.g., Specification, *paras.* 2, 9, 24, 38, 42, 48, 51-52, and 64. No new matter is introduced. No claim is newly added. Claims 3, 5, 12 and 14 have been cancelled. By this Amendment, claims 1, 2, 4, 6-11, 13, and 15-21 remain pending.

Rejections under 35 U.S.C. § 112

Claims 1, 10, and 19 were rejected under 35 U.S.C. § 112, second paragraph, for reciting the phrase "most closely matches." Applicant respectfully notes that support for this phrase can be found in the Specification, paragraph 50. During the interview, Examiner Zecher suggested using the term "comparables," which is also described in paragraph 50 of the Specification. As a good faith effort to forward the prosecution, claims 1, 10, and 19 are amended herein accordingly. Therefore, Applicant respectfully requests this rejection be withdrawn.

Rejections under 35 U.S.C. § 103

Claim 1-8 and 10-21 were rejected under 35 U.S.C. § 103(a) as being unpatentable over U.S. Patent No. 7,133,848 ("Phillips") in view of U.S. Patent Application Publication No. 2004/0111308 ("Yakov"). This rejection is respectfully traversed. Although itself has no force of law, the *Manual of Patent Examining Procedure* (M.P.E.P.) restates the following law: If an independent claim is nonobvious under 35 U.S.C. §103, then any claim depending therefrom is nonobvious. *In re Fine*, 837 F.2d 1071, 5 USPQ2d 1596 (Fed. Cir. 1988). Accordingly, traversal to the rejection will be collectively discussed herein with regard to independent claim 1. Independent claims 10 and 19 recite limitations similar to those recited in claim 1.

In rejecting claim 1, the Examiner states, on page 4 of the Office Action, that

"it would have been obvious to one of ordinary skill in the art at the time of the invention was made to modify Philips to include determining the price of a commodity in a spot market whereby transactional and non-transactional data is clustered to generate a forecast of price based on market conditions as taught by Yakov in order to achieve the predictable result of determining price in a market where goods are sold for cash and delivered immediately."

Applicant respectfully disagrees. At the time the invention was made, one of ordinary skill in the art could not have combined Phillips and Yakov and somehow arrived at an invention as claimed in claim 1 at least because elements as claimed in claim 1 were not known in the prior art at the time the invention was made. For example, referring to page 10 of the Office Action, the Examiner cited paragraphs 219-224 of Yakov as discussing "determining the price of a future contract of a resource or a service in a spot market." However, a futures contract is not a commodity. A futures contract is a legally binding agreement to buy or sell a specified item at a specified date in the future at a specified price. A good or service specified in a

futures contract is not delivered immediately. Further, Yakov does not teach or describe determining the spot price of a product on a spot market. Yakov discloses parceling resources into products of given time duration and quality of service. See Yakov, paragraph 71. According to the duration, a risk factor may be introduced into the price of the product. *Id.* The price of the product is ascertained by a pricing engine to ensure that the price is fair to a provider and a plurality of users. See Yakov, paragraph 70. Thus, the price of the product as disclosed by Yakov is not a spot price. In view of Phillips, which does not teach or suggest spot pricing a commodity on a spot market, there were no apparent reasons that would have motivated one of ordinary skill in the art at the time the invention was made to modify Phillip and Yakov so as to achieve clustering based spot pricing of a commodity on a spot market as claimed in claim 1.

Moreover, Applicant respectfully submits that one of ordinary skill in the art, at the time the invention was made, could not have combined Phillips and Yakov by known methods at least due to technological difficulties in combining Phillips and Yakov. As submitted in the previous Reply to Office Action mailed on July 18, 2007, the method of Phillips will not work in a spot market as spot prices of commodities tend to be very volatile and difficult to predict. The method of Phillips is premised on the assumption that price has an instantaneous impact on sales volume and that this impact is consistent over time. See Phillips, col. 4, lines 55-57. Specifically, Phillips describes a price sensitivity model (PSM) which uses the information in a transaction database to predict price sensitivity of buyers for the product(s) in issue. See Phillips, col. 4, lines 27-29. According to Phillips, the PSM assumes that sales volume is strictly a function of the price level. See Phillips, col. 4, lines 58-59. As a result, the strategic objectives and pre-specified events seemingly involve only sales volume and/or price for the product. See e.g., Phillips, claims 4-7 and 13-14. Thus, Phillips appears to be concerned only with maximizing profit for future sales based on historical data from prior transactions and does not seem to consider non-transactional information or conditions that may affect the price or demand of the product. See, Phillips, col. 3, lines 2-5. On the other hand, Yakov discloses futures contracts where the price of a product specified in a futures contract is ascertained by a pricing engine to ensure that the price is fair to a provider and a plurality of users. *Supra.* Given the distinct principle and technological differences between Philips and Yakov, there were no known methods to combine Philips and Yakov with no change in their respective functions and no apparent reasons that would have motivated one of ordinary skill in the art, at the time the invention was made, to modify Philips with Yakov.

Although itself has no force of law, the M.P.E.P. 2143 restates the following law: The rationale to support a conclusion that the claim would have been obvious is that all the claimed elements were known in the prior art and one skilled in the art could have combined the elements as claimed by known methods with no change in their respective functions, and the combination yielded nothing more than predictable results to one of ordinary skill in the art. *KSR*, 550 U.S. at ___, 82 USPQ2d at 1395; *Sakraida v. AG Pro, Inc.*, 425 U.S. 273, 282, 189 USPQ 449, 453 (1976); *Anderson's-Black Rock, Inc. v. Pavement Salvage Co.*, 396 U.S. 57, 62-63, 163 USPQ 673, 675 (1969); *Great Atlantic & P. Tea Co. v. Supermarket Equipment Corp.*, 340 U.S. 147, 152, 87 USPQ 303, 306 (1950). "[I]t can be important to identify a reason that would have prompted a person of ordinary skill in the relevant field to combine the elements in the way the claimed new invention does." *KSR*, 550 U.S. at ___, 82 USPQ2d at 1396. If any of these findings cannot be made, then this rationale cannot be used to support a conclusion that the claim would have been obvious to one of ordinary skill in the art.

For at least the foregoing reasons, Applicant respectfully submits that claim 1 and hence dependent claims 2-8 recite subject matter not reached by Phillips and Yakov under 35 U.S.C. § 103(a) and therefore should be allowed. For similar reasons, claims 10-21 are submitted to be patentable over Phillips and Yakov under 35 U.S.C. § 103(a). Accordingly, withdrawal of this rejection is respectfully requested.

Claim 9 was rejected under 35 U.S.C. § 103(a) as being unpatentable over Phillips in view of "Official Notice". Applicant traverses this rejection and maintains that there were no apparent reasons that would have motivated one of ordinary skill in the art to modify Phillips to include a commodity as a service. Applicant had traversed the Examiner's Official Notice that "it is old and well known in the art or technology that commodity may be referred to as a service." As submitted on pages 10 and 11 of the previous Reply to Office Action mailed on July 18, 2007, when a rejection is based on facts within the personal knowledge of the examiner, the data should be stated as specifically as possible, and the facts must be supported, when called for by the applicant, by an affidavit from the examiner. Although itself has no force of law, the M.P.E.P. 2144.03 states that it would not be appropriate for the examiner to take official notice of facts without citing a prior art reference where the facts asserted to be well known are not capable of instant and unquestionable demonstration as being well-known. As the Examiner pointed out on page 8 of the Office Action, the Phillips and

Yakov combination fails to explicitly disclose where the commodity is a service. It is therefore questionable whether one of ordinary skill in the art, at the time the invention was made, would have had any reasons at all to modify Philips or the combination of Philips and Yakov to include a commodity as a service. Furthermore, the Specification explicitly describes examples of a service commodity in the detailed description. See, Specification, paragraph [0039]. Thus, within the context of claim 1, embodiments as claimed in claim 9 are not admitted prior art. On page 12 of the Office Action, the Webster's II dictionary definition of the term "commodity" was relied upon but no citation was provided. Both Webster's II New College Dictionary (2004) and Encarta Webster's Dictionary: Second Edition (2004) were published in 2004 and thus are not viable prior art. Even with the broadest interpretation of the term "commodity", one of ordinary skill in the art, at the time the invention was made, still would not have been motivated to modify Phillips and Yakov and somehow arrived at an invention as claimed in claim 9 because, as submitted above, the combination of Phillips and Yakov fails to teach or suggest a clustering based system and method for spot pricing a commodity on a spot market.

For at least the foregoing reasons, Applicant respectfully submits that claim 9 is patentable under 35 U.S.C. § 103(a) and therefore should be allowed. Accordingly, withdrawal of this rejection is respectfully requested.

Conclusion

Applicant has now made an earnest attempt to place this case in condition for allowance. Other than as explicitly set forth above, this reply does not include any acquiescence to statements, assertions, assumptions, conclusions, or any combination thereof in the Office Action. For the foregoing reasons and for other reasons clearly apparent, Applicant respectfully requests full allowance of claims 1, 2, 4, 6-11, 13, and 15-21. The Examiner is invited to telephone the undersigned at the number listed below for prompt action in the event any issues remain.

The Director of the U.S. Patent and Trademark Office is hereby authorized to charge any fees or credit any overpayments to Deposit Account No. 50-3183 of Sprinkle IP Law Group.

Respectfully submitted,

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